Assembly Bill No. 2933

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Passed the Assembly   August 31, 2000

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                              Chief Clerk of the Assembly

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Passed the Senate   August 30, 2000

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                              Secretary of the Senate

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This bill was received by the Governor this _____ day

of _____, 2000, at _____ o'clock ____M.

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              Private Secretary of the Governor

CHAPTER _____

An act to amend Sections 987.59 and 987.67 of, and to add Section 66.5 to, the Military and Veterans Code, relating to veterans, and declaring the urgency thereof, to take effect immediately.

LEGISLATIVE COUNSEL'S DIGEST

AB 2933, Committee on Veterans Affairs. Cal-Vet Loan Program.

Existing law provides for farm and home purchase benefits for qualifying veterans under the Veterans' Farm and Home Purchase Act of 1974, and subsequent acts, which are collectively referred to as the Cal-Vet Loan Program.

This bill would require that one member of the California Veterans Board have expertise in real estate finance and that one member have expertise in senior health care.

The bill would require the Department of Veterans Affairs to take specified actions to efficiently process and approve Cal-Vet loans.

Existing law requires that an appraisement of the market value of property be filed with the department before the property is purchased.

This bill would require the department to establish certain guidelines and establish an outreach program regarding that appraisement process, as specified.

The bill would declare that it is to take effect immediately as an urgency statute.

The people of the State of California do enact as follows:

SECTION 1. Section 66.5 is added to the Military and Veterans Code, to read:

66.5. (a) One member of the board shall have substantial training or professional expertise in mortgage lending and real estate finance.

(b) One other member of the board shall have substantial training or professional expertise in geriatrics, gerontology, or long-term care.

(c) Nothing in this section shall be construed to prohibit any member of the board from serving the remainder of his or her term.

SEC. 2. Section 987.59 of the Military and Veterans Code is amended to read:

987.59. (a) When a veteran has been authorized by the department to select a farm or home, he or she shall submit that selection for approval, as the department prescribes. The department shall have the sole responsibility for the underwriting and approval of all farm or home loans, subject to this article.

(b) In order to achieve efficient processing and approval of loans, the department shall do all of the following:

(1) The department shall establish all systems, procedures, technologies, and guidelines necessary to achieve efficient processing of farm or home loans submitted for approval by the department, with the intent of achieving loan delivery within an average of 30 days. These shall include, but may not be limited to, systems and technologies for the electronic transfer of loan funds and related fees.

(2) The department shall ensure optimal participation of qualified mortgage brokers and other qualified financial institutions and shall review, standardize, and where possible simplify, the documentation required of mortgage brokers and other qualified financial institutions. The department shall provide adequate training and certification of participating mortgage brokers and other qualified financial institutions.

(3) The department shall establish an outreach program to effectively disseminate information concerning the simplified and more efficient loan process to professional real estate and mortgage broker associations.

(4) The department shall offer broker compensation and fees sufficient to ensure optimal participation of the

private sector in the loan origination process and consistent with the veteran borrower's interest in efficient and economical loan processing.

(5) The department shall provide access over the Internet to veteran applicants and their authorized agents to enable loan applications to be filed, processed, and tracked electronically.

(6) In cooperation with the Office of Administrative Law, the department shall, on or before October 30, 2000, promulgate all regulations necessary to implement the provisions of this section and Section 987.67, with the intent of achieving loan delivery within an average of 30 days through measures including, but not limited to, optimal participation in the loan origination process by qualified private sector real estate mortgage associations.

SEC. 3. Section 987.67 of the Military and Veterans Code is amended to read:

987.67. (a) Before the purchase of any property by the department there shall be filed with the department (1) an appraisement of the market value of the property by an employee or an authorized agent of the department or (2) an appraisement of the market value of the property by either the Federal Housing Administration or the Veteran's Administration, and in addition there may be filed with the department an appraisement of the market value of the property by an authorized appraiser of a banking corporation formed under the laws of this state or of a national banking association having a place of business in this state. Each appraisement shall be certified by the maker thereof. The certification shall state that it is made in good faith, and that the valuation is honestly determined and represents the bona fide opinion of the maker.

(b) The department shall establish guidelines to ensure greater participation of state-licensed real estate appraisers and shall establish an outreach program to effectively disseminate information concerning the participation to professional appraisal associations or trade groups.

SEC. 4. This act is an urgency statute necessary for the immediate preservation of the public peace, health, or safety within the meaning of Article IV of the Constitution and shall go into immediate effect. The facts constituting the necessity are:

In order to expedite the adoption of regulations for the efficient processing and approval of Cal-Vet loans, it is necessary that this act take effect immediately.

Approved _____ , 2000

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                                        Governor